

January 22, 2007

State Water Resources Control Board
ATT: Ms. Tracie Billington
1001 I Street
Sacramento, CA 95814

Subject: SWRCB/DWR Draft Funding Recommendations

Dear Ms. Billington:

Thank you for the opportunity to comment on the State Water Resources Quality Control Board (SWRQCB) and Department of Water Resources (DWR) Draft Funding Recommendations for allocation of Integrated Regional Water Management Program (IRWMP) implementation grant funds.

As we understand from attending the Public Hearing on this program held in November 2006, there is approximately \$180 million remaining for allocation by the SWRQCB under Proposition 50. In addition, as the California voters approved Proposition 84, there is approximately an additional \$1 billion for the IRWMP Grant Program. Due to the lengthy, expensive and arduous process of applying for the IRWMP grant funds, Tahoe Resource Conservation District (TRCD) staff and Board of Directors suggest that DWR and SWRCB award the remaining nine grant applications from the 2006 grant cycle with the \$180 million still remaining in Proposition 50. This would benefit the state in the following ways:

- The critical capital improvement and water quality projects the remaining nine applicants have designed would not be forced to wait for another funding cycle to implement their projects. While these projects were successful in meeting the criteria for consideration in Step 2 of the funding process, they could not compete with larger municipalities primarily located in southern California and the Bay Delta. Immediately awarding the funds for applications that have all ready been reviewed would serve as a benefit to the residents of the respective jurisdictions, and meets the intent of Proposition 50 to improve statewide water infrastructure in a timely manner.
- The IWRMP grant application process designed by DWR and SWRCB was an extremely expensive and time consuming process, placing significant staffing and budgetary burdens upon those agencies applying for funds. The agencies involved in applying for this most recent IRWMP cycle dedicated extensive fiscal, administrative and public works staff time in the preparation of the

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application, all at taxpayer expense. Rather than duplicate the application process, wasting more public dollars and valuable time in the preparation of a whole new document, TRCD encourages the SWRQCB and DWR to recognize the investment made and fund those applications it has in hand. This would also decrease the burden placed on staff at DWR and SWRQCB by allowing them to process applications that they have already reviewed and commented on.

- This process allows those jurisdictions still struggling to develop project applications additional time to formulate competitive proposals that meet the intent of the funding. This was a comment made quite often by jurisdictions attending the November 16th public hearing in Sacramento who had received planning funds from the IRWMP grant, but had not prepared an implementation grant as yet.

Although TRCD and the partner agencies in the Tahoe Region IRWMP were among those invited to submit a grant proposal in the second funding phase of Proposition 50, it was not approved – along with eight other applications. \$150 million dollars of the \$175 million awarded was allocated to metropolitan cities and counties primarily in Los Angeles and the Bay Delta. While we recognize these highly populated areas of the state qualify as Statewide Priorities due to their extreme water quality supply and infrastructure needs, both areas received “earmarks” from Proposition 50 and Proposition 84. The IWRMP funding was one of the few sections within Proposition 50 that allowed for competitive funding on a statewide basis, but rural counties cannot compete if priorities continue to favor metropolitan areas. Geographic distribution should be a goal of DWR and SWRQCB in that all regions of the state have an opportunity to be considered for funding. We believe it was the voters’ expectation that Proposition 50 and 84 funding commitments would be dispersed equitably throughout the state.

In closing, as referred to above, the Step 1 and Step 2 application processes were very extensive in their requirements, necessitating a substantial investment in staff hours and resources. To compensate, many applicants hired outside consultants to alleviate the heavy work burden and designate a full-time lead manager to direct, organize, and prepare their proposals. We believe that in the development of the application process, an unintended consequence was created where partnerships having financial resources available to commit to outside assistance gained a competitive advantage. (For instance, all of proposals recommended for this round of Prop 50 funding were prepared by outside consultants). If this type of application process were to continue, smaller partnerships and/or rural partnerships would continue to be put at a disadvantage, regardless of the strength of their collection of projects, simply due to the inability of in-house staff to commit hours and resources comparable with those of larger and better-funded partnerships. For future funding rounds, we would support a more streamlined and direct application process, similar

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to that designed for the Consolidated Grants Program, to allow small and/or rural partnerships to compete on a more level playing field.

We urge staff at the DWR and SWRQCB to seriously consider the recommendations contained herein. We look forward to your decision.

Sincerely,

Tim Oliver
District Manager